

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF VIRGINIA

IN RE: . Case No. 08-35653 (KRH)  
. .  
. Chapter 11  
. Jointly Administered  
CIRCUIT CITY STORES, .  
INC., et al., . 701 East Broad Street  
. Richmond, VA 23219  
. .  
Debtors. . April 23, 2014  
. . . . . 2:03 p.m.

TRANSCRIPT OF HEARING  
BEFORE HONORABLE KEVIN R. HUENNEKENS  
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtors: Tavenner & Beran  
By: PAULA S. BERAN, ESQ.  
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Pachulski Stang Ziehl & Jones, LLP  
By: ANDREW W. CAINE, ESQ.  
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TELEPHONIC APPEARANCES:

For Illinois Department of Revenue: Illinois Department of Revenue  
By: JAMES D. NEWBOLD, ESQ.  
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1 COURTROOM DEPUTY: All rise.

2 THE COURT: Good afternoon.

3 COURTROOM DEPUTY: Court is now in session. Please  
4 be seated and come to order.

5 COURT CLERK: Circuit City Stores, Incorporated.  
6 Items 1 through 56 on proposed agenda.

7 MS. BERAN: Good afternoon, Your Honor.

8 THE COURT: Good afternoon, Ms. Beran.

9 MS. BERAN: For the record, Paula Beran of the law  
10 firm of Tavenner & Beran. And with me this afternoon at  
11 counsel's table are Mr. Andrew Caine who Your Honor is very  
12 familiar with who regularly is either with us in person or on  
13 the phone -- he's in person today -- and then, as an extra  
14 special guest is Mr. Jeff McDonald of the liquidating trust --

15 THE COURT: Extra special. Good to have you, sir.

16 MS. BERAN: Extra special. Mr. McDonald usually  
17 comes on the tax issues, as Your Honor may remember, and he is  
18 instead --

19 THE COURT: That's why I was wondering if I should  
20 walk back out again.

21 (Laughter)

22 MS. BERAN: Your Honor, there are a number of items  
23 on today's docket. As it relates to the very first item, Your  
24 Honor has been kind enough to continue this for several times.

25 I am very happy to report that late last evening, the

1 wire hit our account, the account of Tavenner & Beran, and  
2 under the settlement procedures and settlement agreement,  
3 couple administrative things need to happen, specifically the  
4 filing of the stip of dismissal, but we are confident now that  
5 we are settled. And therefore this matter may be removed from  
6 the Court's docket.

7 THE COURT: Excellent. Congratulations.

8 MS. BERAN: Thank you, Your Honor. Your Honor, Item  
9 Number 2 is a motion for summary judgment as it relates to  
10 claims and the liquidating trust claim objection to Carmax,  
11 Inc. At the request of the non-moving party, we hereby request  
12 that the motion be continued to May 21 at 2 p.m.

13 THE COURT: All right.

14 MS. BERAN: Your Honor, Item Number 3 will be handled  
15 by Mr. Caine and there is also a participant on the line as it  
16 relates to that matter. And then, in addition, as Your Honor  
17 may have seen from Exhibit B that was filed with today's  
18 agenda, there have been over the last two months numerous  
19 resolutions and after Mr. Caine addresses Number 3, he also, to  
20 the extent Your Honor desires, is prepared to address a status  
21 of where we are on the claims before I stand back up and  
22 address all the claim objections.

23 THE COURT: All right, very good. Mr. Caine, good to  
24 have you back. Last time you weren't here, your name was being  
25 taken in vain.

1 MR. CAINE: Yes.

2 THE COURT: But I'm glad that we were able to get  
3 through that without anyone coming to fisticuffs.

4 MR. CAINE: Yes. Thank you, Your Honor. I was on  
5 the phone and I had a nice conversation with Mr. Barrett  
6 afterward, and I believe, as Your Honor understood, it was just  
7 a misunderstanding and there's no hard feelings by anyone.

8 THE COURT: That was my sincere hope and expectation.

9 MR. CAINE: Good, good. Well, thank you. Your Honor  
10 we're here for the trust's motion for summary judgment in its  
11 adversary proceeding against the Illinois Department of  
12 Revenue. The goal of the motion is to recover a net income tax  
13 and sales tax refund as a net net of claims filed by the  
14 Department of Revenue.

15 There was no response filed so I contacted James  
16 Newbold, who is counsel of record for the Department of Revenue  
17 and who has been the point of contact for the trust and myself  
18 and the trust's outside tax counsel for the past three years or  
19 so. I spoke to Mr. Newbold, and he is on the phone, I believe,  
20 and would like to be heard.

21 THE COURT: All right. Mr. Newbold, are you on the  
22 phone?

23 MR. NEWBOLD: Yes, I am, Your Honor.

24 THE COURT: Okay. If you could please state your  
25 full name for the record?

1 MR. NEWBOLD: James Newbold, Assistant Attorney  
2 General for the Illinois Department of Revenue, and Brian  
3 Hamer, Director of the Department, with respect to the  
4 adversary.

5 THE COURT: Excellent.

6 MR. NEWBOLD: Your Honor, I have been dealing over  
7 the -- quite some time with -- apparently with outside counsel.  
8 Brian Harris and Tim Gillis of Akerman firm down in  
9 Jacksonville. I, unfortunately, until I spoke with Mr. Caine  
10 earlier today was not aware that this motion had been filed.  
11 So I want to thank Mr. Caine for calling me and providing me  
12 with the call-in number, et cetera. I have printed out the  
13 motion. It's quite extensive.

14 Just to give Your Honor a little background, we  
15 acknowledge that there's a refund due. The question is fine  
16 tuning the numbers. I need to have a chance to go through  
17 this. I am hoping that we can resolve this without me having  
18 to file a response but if I do, I would ask for 60 days to do a  
19 full review and file whatever contra affidavits we think might  
20 be needed, if necessary, but to respond to the motion.

21 That's kind of where we are with it. I have not even  
22 had a chance to read the motion, although based on my prior  
23 conversations with Mr. Gillis and Mr. Harris, I think I know  
24 what most of the issues are.

25 THE COURT: All right. Now, Mr. Newbold, why has

1 your firm that's representing you, Mr. Gillis or Mr. Harris,  
2 been in touch with you and let you know what was going on with  
3 regard to this motion?

4 MR. NEWBOLD: I don't know. I was not aware that the  
5 motion was being prepared or -- and for some reason, I see the  
6 certificate says it was sent to me, I -- it never crossed my  
7 desk. So apparently -- I don't know what happened. I have not  
8 -- prior to speaking with Mr. Caine and him e-mailing it to me  
9 separately, I did not see it. I normally try to check the  
10 dockets since I receive all pleadings in the case, but I missed  
11 this one on the ECF docket.

12 THE COURT: All right. Mr. Caine, does the trust  
13 oppose giving this respondent an opportunity for 60 days to  
14 look at this, or are you wanting to go forward at this point?

15 MR. CAINE: Well, Your Honor, I trust Mr. Newbold's  
16 statement that he hasn't seen the motion before, despite what  
17 appears to be proper service and ECF delivery. So, no, the  
18 trust does not insist on going forward today.

19 But we would ask that the Court continue this to the  
20 next hearing date which is May 21st for hearing at that time.  
21 This is plenty enough time ahead of time so that the State  
22 would have time to file any response to the motion within the  
23 normal time limit. I mean, the seven days prior gives the  
24 State more than three weeks in order to respond. Ideally, we  
25 would like to have his response earlier than that, within 14

1 days from today, which is the normal amount of time. But given  
2 that this matter has languished for so long --

3 THE COURT: I know. It's been on my docket forever.

4 MR. CAINE: Well, and frankly, Your Honor, we've been  
5 working through outside tax counsel, the gentlemen at Akerman,  
6 to try and get some resolution so that we can move forward.  
7 The issues, while they're tax and so they're a little esoteric  
8 in that way, are generally not that complicated. And the  
9 answer we've generally heard is, yes, we concede that a  
10 substantial refund is due. We need to tweak the numbers.

11 But the State of Illinois doesn't have any money to  
12 pay it anyway. So the trust, after a long period of  
13 frustration, decided to go ahead and file the motion for  
14 summary judgment. We'll get a judgment. If the State doesn't  
15 have any money, we can sell it to a WalMart or a Best Buy who  
16 can then use it to apply against the taxes that they owe  
17 against the State.

18 So we're trying to liquidate it and get this done and  
19 would request that, at the most, Your Honor postpone this to  
20 the next omnibus hearing which is May 21st.

21 THE COURT: Well, you know, it's just not -- I don't  
22 understand how in the world the outside counsel would not have  
23 kept its client advised on this. But I am going to give Mr.  
24 Newbold an opportunity to at least delve into it, figure it  
25 out, and see if he can crunch the numbers. So I'm going to

1 give him to the May 21 date.

2 Mr. Newbold, I'm not going to go beyond that. This  
3 has been going on, in this case anyway, for a long, long time.  
4 And I understand that you're just getting it but obviously  
5 there are other parties that are very familiar with this that  
6 have been representing the Department that you can talk with  
7 and I would suspect you'd be able to get up to speed at least  
8 by May 21 and we can have a hearing at that time and make a  
9 decision.

10 MR. CAINE: Your Honor, just to be clear, I'm sorry  
11 if I created a misimpression, but Mr. Newbold has been handling  
12 this for the Department the entire time. The outside counsel  
13 is the trust's outside tax counsel. So it's been on Mr.  
14 Newbold's plate the whole time.

15 THE COURT: Well, I'm still going to give him to May  
16 21.

17 MR. CAINE: Yes. I understand.

18 THE COURT: All right.

19 MR. NEWBOLD: May I kindly ask for a bit more time?  
20 I have two trials coming up and I have an appellate brief due  
21 in that period of time. And this is a pleading that is, I'm  
22 going to say, 300 pages long, I think. If I can get through it  
23 and put together a response more quickly, I certainly will do  
24 so. But I want to be responsible and get done that which needs  
25 to be done by the deadline that the Court sets. And I really



1 would ask that I have some additional time beyond the 21st of  
2 May.

3 THE COURT: I'm going to deny that request. I'm  
4 going to -- May 21 is the date. We've got to get this  
5 resolved. If we need to get somebody else in your office to  
6 handle it, that's fine. But this has gone on much too long and  
7 I'm extending it out to May 21 as a courtesy just to get an  
8 opportunity to look at this so that we can have that. But I'm  
9 not willing to go beyond that time.

10 MR. NEWBOLD: May I ask for clarification, Your  
11 Honor? Do I need to -- what does Your Honor expect in terms of  
12 the 21st date, that I file the Department's response by that  
13 date or that I have to do so 14 days in advance or -- I'm not  
14 quite clear.

15 THE COURT: What I'm going to do is, I'm going to  
16 hear the motion for summary judgment on May 21, so you need to  
17 file your response prior to that time and then be prepared to  
18 -- and obviously I'll let the Department appear telephonically  
19 or you're always welcome in my courtroom, to argue the motion  
20 on that day. Of course, what I would certainly invite is for  
21 the parties to come to agreement so that I don't have to decide  
22 it. But if there is no agreement, I will decide it on that  
23 day.

24 MR. NEWBOLD: Understood. Okay, I will do that then,  
25 Your Honor.

1 THE COURT: All right. Thank you, sir.

2 MR. NEWBOLD: May I be excused --

3 THE COURT: If you don't have other matters on the  
4 Court's docket, you are excused from the rest of the hearing as  
5 we go through, but you're also welcome to stay on the phone.

6 MR. NEWBOLD: I'll hang up now. Thank you very much,  
7 Your Honor.

8 THE COURT: All right. Thank you, sir.

9 MR. CAINE: Thank you, Your Honor. As Ms. Beran  
10 mentioned, I had compiled a status report of the claims  
11 objections that are still outstanding and --

12 THE COURT: Which I'm always interested in hearing.

13 MR. CAINE: Well, I have --

14 (Automated telephone recording)

15 THE COURT: Thank you. Are there other parties on  
16 the phone?

17 COURTROOM DEPUTY: There was someone else --

18 THE COURT: Okay, disconnect the line. I apologize,  
19 Mr. Caine.

20 MR. CAINE: No apology necessary. We don't believe  
21 anyone else is calling in. It's usually just me.

22 THE COURT: And you're here.

23 MR. CAINE: Yes, I'm here. So in any event, Your  
24 Honor, we have, as of March 31st which is the last reporting  
25 date that the trust maintained, 710 objections to claims still

1 pending. That's down from 17,176 claims filed. I know,  
2 because the claims resolutions funnel through me, that in the  
3 month of April alone, as you can probably tell from the agenda,  
4 we have more than 15, so we're under 700 for the total amount  
5 of claims that are yet to be unresolved (sic).

6           The dollar amount of those claims is \$450 million.  
7 Of the 710, which is the formal number I'm working from, 284  
8 are administrative, priority or secured claims and that dollar  
9 amount is \$94 million. That leaves unsecured claims, 426, with  
10 a dollar amount of \$357 million. Now, within those outstanding  
11 claims, the vast majority break down into four categories.

12           The largest, as would be anticipated, are the  
13 landlord claims. The lease liabilities were by far the  
14 greatest of Circuit City Stores. And so, of the 710 claims  
15 remaining, there are 473 that are landlord claims. Now, that's  
16 probably far fewer locations because there may be multiple  
17 claims for a particular location. But those add up to 280  
18 million.

19           The next category with the largest number is  
20 insurance claims. There are 70 of those that total \$70  
21 million. There is a single claimant that is responsible for  
22 most of those. It's Old Republic Insurance Company which is  
23 the excess carrier for a number of Circuit City's insurance  
24 programs and Old Republic has already taken the letters of  
25 credit that were its collateral and so now it's just a question



1 THE COURT: Which will no doubt be settled by then.

2 MR. CAINE: Well, we're working on it, Your Honor.

3 So those four categories make up the vast majority of claims  
4 and dollars. And we're doing everything we can to try and get  
5 that number to zero as quickly as possible.

6 THE COURT: All right. Thank you very much.

7 MR. CAINE: You're welcome.

8 MS. BERAN: Your Honor, that brings us to the actual  
9 claim objections and resolutions of the same.

10 As it relates to Item Number 4 on today's docket,  
11 Items Number 4 through 8 deal with the debtors' omnibus  
12 objection. There are several claims that remain outstanding as  
13 identified on Exhibit A. We'd respectfully request that Items  
14 4 through 8 on the agenda be continued until June 18th for all  
15 the items on Exhibit A.

16 THE COURT: They'll be continued.

17 MS. BERAN: Thank you, Your Honor. That allows us to  
18 turn to Page 30 on today's agenda. This starts Item Number 9  
19 which we have collectively referred to as the stand-alone tax  
20 claim objections, Items Number 9 through 13. We'd respectfully  
21 request that they be continued until the June 18th omni.

22 THE COURT: They'll be continued.

23 MS. BERAN: Thank you, Your Honor. That allows us to  
24 turn to Page 51. Your Honor, on Item Number 15, the  
25 liquidating trust's first omnibus objection, I did want to note

1 for the record that on the agenda we have actually added one  
2 item back onto the agenda on Exhibit B.

3 THE COURT: Yes. Are you allowed to do that?

4 (Laughter)

5 MS. BERAN: Your Honor, in connection with that, that  
6 is the claim of CHK, LLC, Claim Number 14346. Inadvertently,  
7 Your Honor, for whatever reason, back when the status --  
8 Exhibit B was started, that was not put on the agenda. So for  
9 all these years, it has not been on the agenda, notwithstanding  
10 the fact that in connection with the very first order Your  
11 Honor entered in connection with resolving this omnibus  
12 objection, that claim has been rolled or was continued. And as  
13 we are narrowing Exhibit B and checking, double checking,  
14 triple checking, it was noticed that that one is not on the  
15 agenda Exhibit B.

16 And I must state and Your Honor can appreciate this,  
17 that entity is represented by Mr. Epps and we're very surprised  
18 that Mr. Epps hadn't pointed that out earlier. But --

19 THE COURT: But he's aware of that and he's aware  
20 that it's back on Exhibit B now.

21 MS. BERAN: If he's -- he is in discussions with the  
22 claims -- the other two members of the team that are working on  
23 the landlord claims. And I will let him know specifically that  
24 it was put back onto the agenda.

25 THE COURT: Okay.

1 MS. BERAN: Yes, Your Honor. Your Honor, as it  
2 relates to the other items remaining on the first omnibus  
3 objection, we'd respectfully request that the items listed on  
4 Exhibit B be continued until the June 18th omni.

5 THE COURT: They'll be continued to the June omni.

6 MS. BERAN: Thank you, Your Honor. That allows us to  
7 turn to Page 66. Your Honor, Items Number 15 through 18, as  
8 indicated on Exhibit B, many have been resolved. I would want  
9 to note one thing, Your Honor, in connection with Items Number  
10 15 through 18, specifically Item Number 16, the claim of  
11 Jubilee, Claim Number 9248.

12 On the Exhibit B -- and this is another instance  
13 where we're double checking, triple checking, cross checking,  
14 referencing to see how many claims actually remained  
15 outstanding -- it was noted that this claim actually was  
16 expunged in relation to an order on Omni Number 42 many -- a  
17 while ago. And that docket number was 5939. And so we thought  
18 we were just cleaning up.

19 After the filing of this agenda, we did hear from  
20 counsel for this claimant who was a bit confused because, in  
21 fair candor, the last time we reported this two months ago, we  
22 indicated that this would be continued for status purposes  
23 until today. And given the fact that we're not trying to pull  
24 anything over on anybody, we are just trying to clean up the  
25 Exhibit B to the extent there is anything that doesn't remain

1 on or shouldn't remain on there. So what we have agreed to  
2 with that counsel is that we will go ahead and roll this until  
3 -- or ask Your Honor to continue it until the June 18th omni so  
4 that the one party -- or on the trust team that's addressing  
5 this landlord claim can have additional conversations to  
6 determine if something needs to be done as it relates to that  
7 other omni order found at Docket Number 5939 or if this  
8 actually can remain off the Court's docket.

9 THE COURT: Okay. But the trust isn't waiving any of  
10 its rights under the prior order at this point or anything. I  
11 mean --

12 MS. BERAN: No, Your Honor. The trust is not. I  
13 mean, just in fair candor, we had been carrying it on Omni 3.  
14 And, as Your Honor is abundantly aware, several of these claims  
15 are addressed in different omnis from cross-overlapping and, in  
16 connection with the -- Omni Number 42, it was expunged a while  
17 back but has been carried. But no, we're not waiving any  
18 rights but we want to have discussions with that claimant's  
19 counsel and sort through whether it should have actually been  
20 expunged or not.

21 THE COURT: Okay, very good.

22 MS. BERAN: Thank you, Your Honor. Then, Your Honor,  
23 turning back to Items Number --

24 THE COURT: I'm sorry. What was that, June 18, you  
25 say?



1 MS. BERAN: Yes, Your Honor.

2 THE COURT: Okay, thank you.

3 MS. BERAN: Thank you. Items Number 15 through 18 --

4 THE COURT: That's what we just dealt with, right?

5 MS. BERAN: Correct. As indicated on Exhibit B, many  
6 of them have been resolved. We'd respectfully request the  
7 remaining ones on Exhibit B be continued until June 18th.

8 THE COURT: They will be.

9 MS. BERAN: Thank you, Your Honor. That allows us to  
10 turn to Page 122. Your Honor, for Items Number 19 through 21  
11 on Exhibit -- on the agenda, we'd respectfully request that  
12 they be continued for the items identified on Exhibit B until  
13 the June 18th omni.

14 THE COURT: They'll be continued.

15 MS. BERAN: Thank you, Your Honor. That allows us to  
16 turn to Page 160 on the agenda. Your Honor, as indicated on  
17 Exhibit B, a number of the items on Item Number 2 have been  
18 resolved. In addition, Your Honor, I am happy to report that  
19 there are several additional claims that have been resolved,  
20 some very, very recently and didn't make the original agenda,  
21 and I will confess a couple actually were not on the agenda by  
22 my error. But I am happy to report as it relates to the  
23 liquidating trust's ninth omnibus objection, in addition to  
24 those listed on Exhibit B, Claim Number 12588, Claim Number  
25 12589, Claim Number 12735, all being held by United States Debt

1 Recovery, have been resolved and have been settled pursuant to  
2 procedures approved by Your Honor and they also will be removed  
3 from the Court's docket or Exhibit B for the next time.

4 THE COURT: Excellent.

5 MS. BERAN: Your Honor, we'd respectfully request  
6 that the remaining items as identified on Exhibit B be  
7 continued until the June 18th omni.

8 THE COURT: They'll be continued.

9 MS. BERAN: Thank you, Your Honor. That allows us to  
10 turn to Page 173. Your Honor, the liquidating trust's  
11 thirteenth omnibus objection, as indicated on the agenda, this  
12 addresses the claims of Mr. Besanko. We'd respectfully request  
13 that they be continued until the June 18th omni.

14 THE COURT: They'll be continued.

15 MS. BERAN: Thank you. That allows us to turn to  
16 Page 185, Your Honor, Item Number 24. As indicated on the  
17 agenda, Items 24 through 26, numerous of those claims have been  
18 resolved, as indicated on Exhibit B. We'd respectfully request  
19 that anything remaining on Exhibit B be continued until June  
20 18th.

21 However, I would also note, as indicated -- or  
22 similar to the issues associated with the omni on Omni 9 in  
23 connection with the -- nope, I apologize, Your Honor. I jumped  
24 ahead there. We'd respectfully request that they be continued  
25 until the June 18th omni.

1 THE COURT: All right. They'll be continued.

2 MS. BERAN: Thank you, Your Honor. That allows us to  
3 turn to Page 226. Your Honor, on Item Number 27, we'd  
4 respectfully request the items identified on Exhibit B be  
5 continued until the June 18th omni.

6 THE COURT: All right.

7 MS. BERAN: That allows us to turn to Page 237. Your  
8 Honor, in connection with Items Number 28 through 29, as  
9 indicated on Exhibit B, certain of those claims have been  
10 resolved. We'd respectfully request that the remaining ones  
11 identified on Exhibit B be continued until the June 18th omni.

12 THE COURT: They'll be continued.

13 MS. BERAN: Your Honor, I do apologize. In looking  
14 here, I was wanting to note this for the Court. In connection  
15 with Item Number 26, back to Page 212, additional items that  
16 are not listed on Exhibit B have been resolved and I indicated  
17 I would put those on the record. And those would be related to  
18 liquidating trust's seventeenth omnibus objection. They would  
19 be claims held by United States Debt Recovery and those would  
20 be Claims Number 10186, 12121, 14520, 15101, 15110, 15111, and  
21 15112. Those have also been resolved with United States Debt  
22 Recovery pursuant to procedures approved by Your Honor and they  
23 will be coming off Exhibit B.

24 THE COURT: Okay, excellent.

25 MS. BERAN: Thank you, Your Honor. I apologize.

1 Then we can turn back to 237. We addressed Items Number 28 and  
2 29. Your Honor did continue those until the June 18th. So  
3 we'd respectfully request we can turn to Page 265. On Item  
4 Number 30, Your Honor, is the liquidating trust's twenty-third  
5 omnibus objection, as well as Items 31, 32, 33 and 34. We'd  
6 respectfully request that they be continued for items  
7 identified on Exhibit B 'til the June 18th omni.

8 THE COURT: All right. All those items will be  
9 continued.

10 MS. BERAN: Thank you, Your Honor. That allows us to  
11 turn to Page 321 on the agenda. Your Honor -- and that is Item  
12 Number 35, the liquidating trust's twenty-eighth omnibus  
13 objection. As indicated on Exhibit B, certain of those claims  
14 have been resolved. We'd respectfully request that the  
15 remaining items identified on Exhibit B be continued until the  
16 June 18th omni.

17 THE COURT: They'll be continued to June 18.

18 MS. BERAN: Thank you, Your Honor. Turning to Page  
19 334, Items Number 36 through 40, we'd respectfully request that  
20 the items identified on Exhibit B be continued until the June  
21 18th omni.

22 THE COURT: They'll be continued.

23 MS. BERAN: Thank you, Your Honor. That allows us to  
24 turn to Page 381 on today's agenda.

25 THE COURT: All right.

1 MS. BERAN: Your Honor, on Items 41 through 44, as  
2 indicated on Exhibit B, many of those claims have been  
3 resolved. In addition, Your Honor, in connection with the  
4 liquidating trust's forty-second omnibus objection, there are  
5 additional claims that have been resolved with United States  
6 Debt Recovery. Specifically, that would be Claim Number 8614  
7 and 1509. They have been resolved and may be removed from Your  
8 Honor's Exhibit B docket. And we'd respectfully request that  
9 all remaining claims on Items 41 through 44 be continued until  
10 the June 18th omni.

11 THE COURT: All right. They'll be continued.

12 MS. BERAN: Thank you, Your Honor. That allows us to  
13 turn to Page 424. Your Honor for Items Number 45 through 49,  
14 we'd respectfully request that they be continued until the June  
15 18th omni.

16 THE COURT: Those matters will be continued.

17 MS. BERAN: Thank you, Your Honor. That allows us to  
18 turn to Page 465 on today's agenda.

19 THE COURT: All right.

20 MS. BERAN: Your Honor, that's Item Number 50. It  
21 was the liquidating trust's fifty-seventh omnibus objection.  
22 In connection with that, Your Honor, there has been one claim  
23 that remained outstanding on that. In connection with that  
24 matter, the claimant wishes to withdraw their response, per an  
25 e-mail with Ms. Ann Pietrantonio that Your Honor has met on many

1 occasions and, specifically, saying that she is withdrawing her  
2 response. "Thank you as well for our conversation as we  
3 discussed. I fully understand everything in the attached e-  
4 mail and agree to the unsecured claim in the amount of 40,000.  
5 I therefore would like to withdraw my response to the  
6 objection."

7 So based on that, Your Honor, the objection may be  
8 sustained as it relates to that one remaining claim. And I am  
9 happy to report probably myself, my paralegal and your law  
10 clerk are the most happy that this omnibus objection can be  
11 closed out now, because there are no claims that remain and  
12 several pages will come off the agenda.

13 THE COURT: That's wonderful news.

14 MS. BERAN: Similarly, Your Honor, turning to Page  
15 472, as indicated on Exhibit B, there was one claim that  
16 remained outstanding or subject to that omnibus objection. In  
17 connection with that, Your Honor, the trust will actually be  
18 withdrawing its objection to that claim and that's Claim Number  
19 5557 on Omni 58 which would allow for an unsecured portion of  
20 the claim at \$5,701.20. With that resolution, that omni has  
21 been resolved and may be removed from the Court's docket.

22 THE COURT: So what is this, a battle of attrition?  
23 Is that what's going on here?

24 (Laughter)

25 MS. BERAN: I can't opine, Your Honor. That allows

1 us to turn to Page 480.

2 THE COURT: All right.

3 MS. BERAN: On 480, Your Honor, as it relates to  
4 Items Number 52, the liquidating trust's fifty-ninth omnibus  
5 objection, through Item 55, as indicated on Exhibit B, we'd  
6 respectfully request that those claims be continued until June  
7 18th.

8 THE COURT: They'll be continued.

9 MS. BERAN: Thank you, Your Honor. That allows us to  
10 turn to Page 505 on today's agenda. Your Honor -- and that is  
11 the liquidating trust's sixty-fourth omnibus objection. As  
12 indicated on Exhibit B, numerous claims on that omnibus  
13 objection have been resolved.

14 In addition, Your Honor, we have resolved several  
15 additional claims with United States Debt Recovery,  
16 specifically Claim Number 7526, 7550. We'd respectfully  
17 request that those -- or respectfully submit that those items  
18 now may be removed from Your Honor's docket. And we'd  
19 respectfully request that the remaining items identified on  
20 Exhibit B be continued until the June 18th omni.

21 THE COURT: They'll be continued.

22 MS. BERAN: Your Honor, I believe that concludes all  
23 items on today's agenda. Once again, Mr. Caine is here today  
24 and we are happy to answer any additional questions Your Honor  
25 may have for Mr. Caine, for Mr. McDonald and for myself.

1 THE COURT: To the extent that you can answer this  
2 question, are we still on track with the time lines, as far as  
3 the case overall, that we had previously discussed?

4 MS. BERAN: I will defer to Mr. Caine on that.

5 THE COURT: I don't need detail. Just a yes or no or  
6 I can't answer.

7 MR. CAINE: Generally, yes, Your Honor.

8 THE COURT: Okay, all right. That's good news.

9 MR. CAINE: Yes.

10 THE COURT: All right. Thank you very much.

11 MR. CAINE: You're welcome.

12 THE COURT: All right. Is there any other business  
13 we need to take up today?

14 MS. BERAN: No, Your Honor. Not from the trust's  
15 perspective.

16 THE COURT: Okay. Thank you very much.

17 COURTROOM DEPUTY: All rise. Court is now adjourned.

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C E R T I F I C A T I O N

I, STEPHANIE SCHMITTER, court approved transcriber,  
certify that the foregoing is a correct transcript from the  
official electronic sound recording of the proceedings in the  
above-entitled matter, and to the best of my ability.

/s/ Stephanie Schmitter

STEPHANIE SCHMITTER

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DATE: May 6, 2014